



UNITED STATES SENATOR HARRY REID OF NEVADA

# AFFORDABLE CARE ACT

## ONE YEAR LATER: THE BENEFITS OF THE AFFORDABLE CARE ACT FOR NEVADA

Thanks to the Affordable Care Act, passed by Congress and signed into law by President Obama on March 23, 2010, Nevada residents have more freedom and control over their health care choices. All Americans now have the freedom from worrying about losing their insurance, or having it capped unexpectedly if someone is in an accident or becomes sick. They no longer have to live in fear of double-digit premium increases from their insurance companies without recourse or accountability. The law reduces costs for families and businesses and has already made it illegal for insurance companies to deny care to children because of a pre-existing condition. And it includes substantial new benefits and freedoms for Nevada residents.

Specifically, the Affordable Care Act is already helping the people of Nevada by:

### Providing New Benefits and Lowering Costs for Medicare Beneficiaries

Nearly all 44 million beneficiaries who have Medicare, including 314,000 in Nevada, can now receive free preventive services – like mammograms and colonoscopies – as well as a free annual wellness visit with their doctor. Also, more than 22,864 Nevada residents who hit the Medicare prescription drug coverage gap known as the “donut hole” received \$250 tax-free rebates, and will receive a 50% discount on brand name prescription drugs when they hit the donut hole this year. By 2020, the law will close the donut hole completely. Taken together, the changes in the law will save seniors enrolled in traditional Medicare more than \$3,500 over the next 10 years.

### Lowering Taxes for Small Businesses

The law provides \$40 billion of tax credits to up to 4 million small businesses, including up to 30,345 in Nevada to help offset the costs of purchasing coverage for their employees and makes premiums more affordable.

### Providing Greater Resources for Nevada

The law gives Governors millions of dollars in Federal support for their work to hold down insurance premiums, build competitive insurance marketplaces, provide insurance to early retirees, and strengthen their public health and prevention efforts. So far, Nevada has received \$19.3 million from the Affordable Care Act. Grants to Nevada include:

- \$297,800 to support a consumer assistance program
- \$1 million to plan for a Health Insurance Exchange
- \$1 million to crack down on unreasonable insurance premium increases
- \$5.3 million from the Prevention and Public Health Fund
- \$3.1 million in Therapeutic Discovery Project Program Tax Credits and Grants
- \$203,541 for Medicare improvements for patients and providers
- \$1 million for Maternal, Infant and Childhood Home Visiting
- \$7.3 million for the Money Follows the Person demonstration project

## **Providing New Coverage Options for Young Adults**

Insurance companies are now required to allow parents to keep their children up to age 26 without job-based coverage on their insurance plans. An estimated 11,200 young adults in Nevada could gain insurance coverage as a result of the law.

## **Covering Children with Pre-Existing Conditions**

Most insurance companies are now banned from denying coverage to children because of a pre-existing condition. An estimated 162,000 kids with a pre-existing condition in Nevada will be protected because of this provision. In 2014, insurers are banned from discriminating against anyone with a pre-existing condition.

## **Removing Lifetime Limits on Health Benefits**

The law bans insurance companies from imposing lifetime dollar limits on health benefits – freeing cancer patients and individuals suffering from other chronic diseases from having to worry about going without treatment because of their lifetime limits. The law also restricts the use of annual limits and bans them completely in 2014. This will protect 1.6 million Nevada residents with private insurance coverage from these limits.

## **Making it Illegal for an Insurance Company to Drop Coverage When You Get Sick**

The law bans insurance companies from dropping coverage when an individual gets sick because of simple mistake on an application. This will protect 110,000 Nevada residents who buy coverage on the individual market from losing their coverage when they need it the most.

## **Increasing the Value of Health Insurance**

Under the law, insurance companies must provide consumers greater value by spending at least 80% of premium dollars on health care and quality improvements instead of overhead, executive salaries or marketing. If they don't, they must provide consumers a rebate or reduce premiums. This means that 1.6 million Nevada residents with private insurance coverage will receive greater value for their premium dollars.

## **Scrutinizing Unreasonable Premium Increases**

New rules in the law require insurers to publicly justify unreasonable premium increases, and strengthen States' abilities to crack down on premium hikes.

## **Strengthening Economic Growth in Nevada**

Since the President signed the Affordable Care Act into law last March, the economy has created nearly 1.4 million private sector jobs, and has grown at an average annual rate of 2.7%. Experts predict that the Affordable Care Act will create anywhere from 250,000 – 400,000 jobs each year.

## **Lowering Early Retiree Coverage Costs**

An estimated 38,600 people from Nevada retired before they were eligible for Medicare and have health coverage through their former employers. Unfortunately, the number of firms that provide health coverage to their retirees has decreased over time. But thanks to the creation of the Early Retiree Reinsurance Program in the Affordable Care Act, 24 employers in Nevada have been approved to receive support to firms that continue to provide health coverage to their early retirees—lowering their total health care costs.

## **Creating New Coverage Options for Individuals with Pre-Existing Conditions**

Residents of Nevada who have been locked out of the coverage system because of a pre-existing condition are now eligible for coverage through a new Pre-Existing Condition Insurance Plan that was created under the law. To learn more about the plan available in Nevada go here: <https://www.pcip.gov/StatePlans.html>.

## Increasing Support for Community Health Centers

The Affordable Care Act increases the funding available to the more than 1,100 community health centers in all 50 States, including the 33 existing Community Health Centers in Nevada in rural communities and inner cities, enabling them to double the number of patients they serve from 19 million to nearly 40 million by 2015. This builds on a \$2 billion investment in Community Health Centers in the American Recovery and Reinvestment Act, which has provided an unprecedented opportunity to serve more patients, create new jobs, and meet the significant increase in demand for primary health care services.

## Reducing the Health Care Workforce Shortage

Nearly 13% of Nevada residents live in an underserved area. The law includes new resources to boost the number of doctors, nurses and health care providers in communities where they are needed most. These resources include grants, scholarships, loan repayment programs, as well as increased support for educational institutions that provide training for a range of health care careers.

## MORE BENEFITS IN THE YEARS AHEAD

**Exchanges Offering Affordable, Quality Coverage Options.** In 2014, consumers will have access to new competitive insurance marketplaces called Exchanges that will make it easier for consumers to compare benefits and costs. More than **24 million Americans** could use the Exchanges to purchase private, affordable, quality health insurance. Exchanges will be state-based and states have substantial flexibility to dictate the design and operation of their Exchange. States may choose not to operate an Exchange, in which case, their residents will be eligible to purchase affordable private insurance through a federally managed Exchange.

**Tax Credits to Make Health Care More Affordable.** In 2014, new tax credits will help middle class families afford health insurance. Tax credits will be available for Americans with incomes up to 400% of poverty (up to about \$88,200/year for a family of four) to purchase coverage through the Exchanges. The **Congressional Budget Office** estimates that approximately 19 million Americans will receive tax credits. When the impact of new premium tax credits are taken into account, many people in the individual market could see their premiums drop by up to 60% compared to their current premiums.

**Expanding Coverage.** In 2014, states will be given new funding to expand Medicaid to cover individuals with incomes of up to \$14,000, or \$29,000 for a family of four. The **Congressional Budget Office** estimates that 16 million people will gain coverage through this expansion. The federal government will cover 96% of the costs of expansion, and overall, states' share of each Medicaid enrollee's health care expenses will decrease by 4.5% from today's levels. As more Americans gain coverage, States and local governments are estimated to save approximately \$70-80 billion in uncompensated care, which exceeds new costs to states of expanding Medicaid.

**Reducing the Deficit.** The Congressional Budget Office projects that the Affordable Care Act will reduce the deficit by more than \$210 billion over the next ten years and more than \$1 trillion in the decade after that.